

Form 3100-11  
(October 2008)

Electronically Recorded  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Tarrant County Texas

3/1/2011 11:11 AM

Serial Number  
**D211047976**  
TXNM 126083

~~OFFER TO LEASE AND LEASE FOR OIL AND GAS~~  
PGS 22 \$100.00

Mary Louise Garcia

Submitter: SIMPLIFILE

The undersigned (page 2) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Mineral Lands Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359), the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen 41), or the Combined Hydrocarbon Leasing Act of 1981 (95 Stat 1070).

## READ INSTRUCTIONS BEFORE COMPLETING

1. Name XTO ENERGY INC  
Street 810 HOUSTON STREET  
City, State, Zip Code FORT WORTH, TX 76102

2. This application/offer/lease is for: (Check Only One) ☐ PUBLIC DOMAIN LANDS ☒ ACQUIRED LANDS (percent U.S. interest 100%)

Surface managing agency if other than Bureau of Land Management (BLM): Corps of Engineers Unit/Project Benbrook Lake

Legal description of land requested: \*Parcel No.: \*Sale Date (mm/dd/yyyy):

**\*See Item 2 in Instructions below prior to completing Parcel Number and Sale Date.**

T. R. Meridian State County

Amount remitted: Filing fee \$ Rental fee \$ Total acres applied for  
Total \$

## DO NOT WRITE BELOW THIS LINE

## 3. Land included in lease:

T. R. Meridian State TX County Tarrant

TRACTS A-2-2 (735.793 acres);  
A-3 (520.662 acres);  
A-4 (0.161 acres);  
A-15 (157.036 acres);  
A-16 (79.284 acres);  
A-17 (80.581 acres);  
A-19 (34.193 acres);  
PART OF TRACT A-22 (9.535 acres);  
SEE ATTACHMENT FOR METES & BOUNDS WITH MAPS;

Total acres in lease 1617.245  
Rental retained \$ 2427.000

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid form submitted under 43 CFR 3120 and is subject to the provisions of that bid and those specified on this form.

Type and primary term:

THE UNITED STATES OF AMERICA

☐ Noncompetitive lease (ten years)

*Spencer B. Ortiz*  
(BLM)

LAND LAW EXAMINER, FLUIDS ADJUDICATION TEAM

FEB 15 2011

☒ Competitive lease (ten years)

(Title)

(Date)

☐ Other EFFECTIVE DATE OF LEASE **FEB 01 2011**

(Continued on page 2)

4. (a) Undersigned certifies that (1) offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or Territory thereof, (2) all parties holding an interest in the offer are in compliance with 43 CFR 3100 and the leasing authorities; (3) offeror's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options), (4) offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located; (5) offeror is in compliance with qualifications concerning Federal coal lease holdings provided in sec. 2(a)2(A) of the Mineral Leasing Act; (6) offeror is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (7) offeror is not in violation of sec. 41 of the Act. (b) Undersigned agrees that signature to this offer constitutes acceptance of this lease, including all terms conditions, and stipulations of which offeror has been given notice, and any amendment or separate lease that may include any land described in this offer open to leasing at the time this offer was filed but omitted for any reason from this lease. The offeror further agrees that this offer cannot be withdrawn, either in whole or in part unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford offeror no priority if it is not properly completed and executed in accordance with the regulations, or if it is not accompanied by the required payments.

XTO ENERGY INC.

Duly executed this 21st day of FEBRUARY, 20 11

Edwin S. Ryan Jr.  
(Signature of Lessee or Attorney-in-fact)

Edwin S. Ryan Jr.

Sr. Vice President - Land Administration

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or Agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

#### LEASE TERMS

Sec. 1. Rentals--Rentals must be paid to proper office of lessor in advance of each lease year. Annual rental rates per acre or fraction thereof are:

- (a) Noncompetitive lease, \$1.50 for the first 5 years; thereafter \$2.00;
- (b) Competitive lease, \$1.50; for the first 5 years; thereafter \$2.00;
- (c) Other, see attachment, or

as specified in regulations at the time this lease is issued.

If this lease or a portion thereof is committed to an approved cooperative or unit plan which includes a well capable of producing leased resources, and the plan contains a provision for allocation of production, royalties must be paid on the production allocated to this lease. However, annual rentals must continue to be due at the rate specified in (a), (b), or (c) rentals for those lands not within a participating area.

Failure to pay annual rental, if due, on or before the anniversary date of this lease (or next official working day if office is closed) must automatically terminate this lease by operation of law. Rentals may be waived, reduced, or suspended by the Secretary upon a sufficient showing by lessee.

Sec. 2. Royalties--Royalties must be paid to proper office of lessor. Royalties must be computed in accordance with regulations on production removed or sold. Royalty rates are:

- (a) Noncompetitive lease, 12 1/2%;
- (b) Competitive lease, 12 1/2 %;
- (c) Other, see attachment; or

as specified in regulations at the time this lease is issued.

Lessor reserves the right to specify whether royalty is to be paid in value or in kind, and the right to establish reasonable minimum values on products after giving lessee notice and an opportunity to be heard. When paid in value, royalties must be due and payable on the last day of the month following the month in which production occurred. When paid in kind, production must be delivered, unless otherwise agreed to by lessor, in merchantable condition on the premises where produced without cost to lessor. Lessee must not be required to hold such production in storage beyond the last day of the month following the month in which production occurred, nor must lessee be held liable for loss or destruction of royalty oil or other products in storage from causes beyond the reasonable control of lessee.

Minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year must be payable at the end of each lease year beginning on or after a discovery in paying quantities. This minimum royalty may be waived, suspended, or reduced, and the above royalty rates may be reduced, for all or portions of this lease if the Secretary determines that such action is necessary to encourage the greatest ultimate recovery of the leased resources, or is otherwise justified.

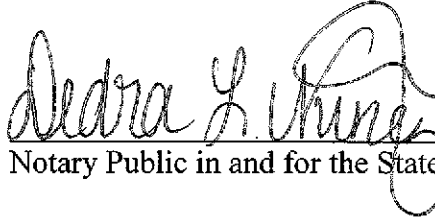
An interest charge will be assessed on late royalty payments or underpayments in accordance with the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) (30 U.S.C. 1701). Lessee must be liable for royalty payments on oil and gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator, or due to the failure to comply with any rule, regulation, order, or citation issued under FOGRMA or the leasing authority.

STATE OF TEXAS           §

ACKNOWLEDGEMENT

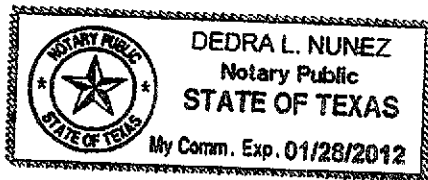
COUNTY OF TARRANT   §

This instrument was acknowledged before me on the 21st day of February, 2011 by Edwin S. Ryan, Jr., Senior Vice President—Land of XTO Energy Inc., a Delaware Corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

(Seal)



Sec. 3. Bonds - A bond must be filed and maintained for lease operations as required under regulations.

Sec. 4. Diligence, rate of development, unitization, and drainage - Lessee must exercise reasonable diligence in developing and producing, and must prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee must drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in amount determined by lessor.

Sec. 5. Documents, evidence, and inspection - Lessee must file with proper office of lessor, not later than 30 days after effective date thereof, any contract or evidence of other arrangement for sale or disposal of production. At such times and in such form as lessor may prescribe, lessee must furnish detailed statements showing amounts and quality of all products removed and sold, proceeds therefrom, and amount used for production purposes or unavoidably lost. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest, expenditures, and depreciation costs. In the form prescribed by lessor, lessee must keep a daily drilling record, a log, information on well surveys and tests, and a record of subsurface investigations and furnish copies to lessor when required. Lessee must keep open at all reasonable times for inspection by any representative of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee must maintain copies of all contracts, sales agreements, accounting records, and documentation such as billings, invoices, or similar documentation that supports costs claimed as manufacturing, preparation, and/or transportation costs. All such records must be maintained in lessee's accounting offices for future audit by lessor. Lessee must maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

During existence of this lease, information obtained under this section will be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. Conduct of operations - Lessee must conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee must take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with lease rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses must be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee.

Prior to disturbing the surface of the leased lands, lessee must contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessee may be required to complete minor inventories or short term special studies under guidelines provided by lessor. If in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee must immediately contact lessor. Lessee must cease any operations that would result in the destruction of such species or objects.

Sec. 7. Mining operations - To the extent that impacts from mining operations would be substantially different or greater than those associated with normal drilling operations, lessor reserves the right to deny approval of such operations.

Sec. 8. Extraction of helium - Lessor reserves the option of extracting or having extracted helium from gas production in a manner specified and by means provided by lessor at no expense or loss to lessee or owner of the gas. Lessee must include in any contract of sale of gas the provisions of this section.

Sec. 9. Damages to property - Lessee must pay lessor for damage to lessor's improvements, and must save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 10. Protection of diverse interests and equal opportunity - Lessee must pay, when due, all taxes legally assessed and levied under laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; and take measures necessary to protect the health and safety of the public.

Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. If lessee operates a pipeline, or owns controlling interest in a pipeline or a company operating a pipeline, which may be operated accessible to oil derived from these leased lands, lessee must comply with section 28 of the Mineral Leasing Act of 1920.

Lessee must comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractors must maintain segregated facilities.

Sec. 11. Transfer of lease interests and relinquishment of lease - As required by regulations, lessee must file with lessor any assignment or other transfer of an interest in this lease. Lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which will be effective as of the date of filing, subject to the continued obligation of the lessee and surety to pay all accrued rentals and royalties.

Sec. 12. Delivery of premises - At such time as all or portions of this lease are returned to lessor, lessee must place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Sec. 13. Proceedings in case of default - If lessee fails to comply with any provisions of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease will be subject to cancellation unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement which contains a well capable of production of unitized substances in paying quantities. This provision will not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver will not prevent later cancellation for the same default occurring at any other time. Lessee will be subject to applicable provisions and penalties of FOGPMA (30 U.S.C. 1701).

Sec. 14. Heirs and successors-in-interest - Each obligation of this lease will extend to and be binding upon, and every benefit hereof will inure to the heirs, executors, administrators, successors, beneficiaries, or assignees of the respective parties hereto.

A. General:

1. Page 1 of this form is to be completed only by parties filing for a noncompetitive lease. The BLM will complete page 1 of the form for all other types of leases.
2. Entries must be typed or printed plainly in ink. Offeror must sign Item 4 in ink.
3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.2-1 for office locations.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Special:

Item 1 - Enter offeror's name and billing address.

Item 2 - Identify the mineral status and, if acquired lands, percentage of Federal ownership of applied for minerals. Indicate the agency controlling the surface of the land and the name of the unit or project which the land is a part. The same offer may not include both Public

Domain and Acquired lands. Offeror also may provide other information that will assist in establishing title for minerals. The description of land must conform to 43 CFR 3110. A single parcel number and Sale Date will be the only acceptable description during the period from the first day following the end of a competitive process until the end of that same month, using the parcel number on the List of Lands Available for Competitive Nominations or the Notice of Competitive Lease Sale, whichever is appropriate.

Payments: The amount remitted must include the filing fee and the first year's rental at the rate of \$1.50 per acre or fraction thereof. The full rental based on the total acreage applied for must accompany an offer even if the mineral interest of the United States is less than 100 percent. The filing fee will be retained as a service charge even if the offer is completely rejected or withdrawn. To protect priority, it is important that the rental submitted be sufficient to cover all the land requested. If the land requested includes lots or irregular quarter-quarter sections, the exact area of which is not known to the offeror, rental should be submitted on the basis of each such lot or quarter-quarter section containing 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the rental remitted for the parts withdrawn or rejected will be returned.

Item 3 - This space will be completed by the United States.

NOTICES

The Privacy Act of 1974 and the regulations in 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this oil and gas lease offer.

AUTHORITY: 30 U.S.C. 181 et seq.; 30 U.S.C 351-359.

PRINCIPAL PURPOSE: The information is to be used to process oil and gas offers and leases.

ROUTINE USES: (1) The adjudication of the lessee's rights to the land or resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when consent or concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: If all the information is not provided, the offer may be rejected. See regulations at 43 CFR 3100.

**PORTION OF TRACT NO. A-2-2**

**LEGAL DESCRIPTION:** Being 735.793 acres of land, out of the J. A. Bowers Survey, Abstract No. 86, the J. A. Dunham Survey, Abstract No. 409, the John Rickals Survey, Abstract No. 1277, the J. F. Heath Survey, Abstract No. 641 and the J. Bartlett Survey, Abstract No. 187 in Tarrant County, Texas and also being a portion of U. S. Army Corps of Engineers Tract No. A-2-2; Said 737.793 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at an old stone mound found (N: 6919764.10, E: 2293073.02) in the south line of said Tract No. A-2-2 and the north line of U. S. Army Corps of Engineers Tract No. Tract No. B-103 for a corner of said Abstract No. 641 and the southeast corner said Abstract No. 187 and from which a concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 85°22'54" West a distance of 9777.00 feet;

THENCE South 89°17'42" West a distance of 5277.78 feet along the record common line of said Abstract No. 641 and said Abstract No. 187, the record common line of the J. Sharp Survey, Abstract No. 1386 and said Abstract No. 187, the south line of said Tract No. A-2-2, the north line of said Tract No. B-103 and the north line of U. S. Army Corps of Engineers Tract No. B-109 to a calculated point for the southwest corner of said Abstract No. 187, the southeast corner of the J. S. Evans Survey, Abstract No. 485, the southeast corner of U. S. Army Corps of Engineers Tract No. A-17, the southwest corner of said Tract No. A-2-2 and the southwest corner hereof;

THENCE North 00°42'18" West a distance of 2638.89 feet along the record common line of said Abstract No. 485 and said Abstract No. 187, the west line of said Tract No. A-2-2, the east line of said Tract No. A-17, the east line U. S. Army Corps of Engineers Tract No. A-16 and the west line of said Tract No. A-2-2 to a calculated point for the northeast corner of said Abstract No. 485, the southeast corner of the J. Reasoner Survey, Abstract No. 1325, the northeast corner of said Tract No. A-16, the southeast corner of U. S. Army Corps of Engineers Tract No. A-3, a corner of said Tract No. A-2-2, the south corner of U. S. Army Corps of Engineers Tract No. A-2-1 and a corner hereof;

THENCE along the southeast lines of said Tract No. A-2-1, the following 2 courses:

1. North 38°40'42" East a distance of 2549.55 feet to a calculated point;
2. North 23°32'20" East a distance of 2247.73 feet to a calculated point in the south line of Trinity Estates Phase I and Phase II recorded in 388-128/63 and 388-187/31 of the Plat Records of Tarrant County, Texas for the northeast corner of said Tract No. A-2-1, a corner of said Tract No. A-2-2 and a corner hereof and from which a concrete monument

*EXHIBIT N*  
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found for a corner of said U. S. Army Corps of Engineers property bears South 83°14'20" West a distance of 4167.64 feet;

THENCE along the north line of said Tract No. A-2-2 and the south line of said Trinity Estates, the following 2 courses:

1. North 83°14'20" East a distance of 2139.90 feet to a concrete monument found;
2. South 89°53'34" East a distance of 692.85 feet to a ½ inch iron rod found for a corner of said Trinity Estates, a corner of that certain 75.1386 acre tract as described in Instrument No. D201318079 of the Official Public Records of Tarrant County, Texas, the northeast corner of said Tract No. A-2-2 and the northeast corner hereof;

THENCE South 10°00'08" West along a west line of said 75.1386 acre tract and the east line of said Tract No. A-2-2, at a distance of 269.84 feet pass a 7/8 inch iron rod found for the most westerly southwest corner of said 75.1386 acre tract, and continuing in all a total distance of 408.00 feet to a calculated point in the record centerline of the Clear Fork of the Trinity River;

THENCE along the record meanders of the centerline of the Clear Fork of the Trinity River for the northeast line of said Tract No. A-2-2, the following 7 courses:

1. South 62°48'52" East a distance of 165.90 feet to a calculated point;
2. South 46°24'52" East a distance of 152.00 feet to a calculated point;
3. South 29°49'52" East a distance of 161.00 feet to a calculated point;
4. South 04°15'08" West a distance of 261.00 feet to a calculated point;
5. South 10°40'08" West a distance of 214.00 feet to a calculated point;
6. South 68°32'44" East a distance of 171.00 feet to a calculated point;
7. South 88°04'52" East a distance of 275.00 feet to a calculated point for a corner of said Tract No. A-2-2 and a corner hereof;

THENCE along the record meanders of the centerline of a creek for the northeast line of said Tract No. A-2-2, the following 7 courses:

1. South 08°34'52" East a distance of 101.00 feet to a calculated point;
2. South 26°25'08" West a distance of 34.00 feet to a calculated point;
3. South 69°25'08" West a distance of 43.00 feet to a calculated point;
4. South 00°04'52" East a distance of 25.10 feet to a calculated point;
5. South 48°24'52" East a distance of 60.00 feet to a calculated point;
6. South 11°24'52" East a distance of 51.00 feet to a calculated point;
7. South 18°25'08" West a distance of 63.00 feet along the northwest line of that certain 0.208 acre tract described in Volume 9907, Page 1088 of the Official Public Records of Tarrant County, Texas to a calculated point for a corner of said 0.208 acre tract, a corner of said Tract No. A-2-2 and a corner hereof;

*EXHIBIT N*

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THENCE South 30°08'56" West a distance of 77.38 feet along the northwest line of said 0.208 acre tract and the southeast line of said Tract No. A-2-2 to a calculated point for a corner of said Tract No. A-2-2, a corner of said 0.208 acre tract and a corner hereof;

THENCE along the east line of said Tract No. A-2-2, the following 4 courses;

1. South 50°26'00" East along the southwest line of said 0.208 acre tract at a distance of 96.21 feet pass a 7/8 inch iron rod found for the south corner of said 0.208 acre tract and a corner of that certain 449.369 acre tract described in Volume 10507, Page 1666 of said Official Public Records, and continue along the south line of said 449.369 acre tract in all a total distance of 153.00 feet to a concrete monument found for a corner of said 449.369 acre tract;
2. South 21°28'29" West a distance of 1016.65 feet along the west line of said 449.369 acre tract to a concrete monument found for a corner of said 449.369 acre tract and a corner of that certain 1.704 acre tract of described said Volume 9907, Page 1088 of said Official Public Records;
3. South 10°27'29" West a distance of 1501.38 feet along the west line of said 1.704 acre tract to a calculated point for a corner of said 1.704 acre tract;
4. North 88°52'29" East a distance of 107.37 feet along the south line of said 1.704 acre tract to a calculated point for a corner of said 1.704 acre tract, a corner of that certain 50.01 acre tract described in Volume 13958, Page 88 of said Official Public Records, a corner of said Tract No. A-2-2 and a corner hereof and from which a 5/8 inch iron rod found bears South 23°53'44" West a distance of 1.60 feet;

THENCE crossing said Tract No. A-2-2 along the east line of the U. S. Army Corps of Engineers property and west line of said 50.01 acre tract, the following 2 courses:

1. South 08°28'22" West a distance of 722.28 feet to a concrete monument found;
2. North 65°58'20" West a distance of 231.71 feet to a concrete monument found in the northeast line of Lakeside Drive for a corner of said 50.01 acre tract and a corner hereof;

THENCE crossing said Tract No. A-2-2 along the northeast line of said U. S. Army Corps of Engineers property, the northeast line of said Lakeside Drive and the southwest line of said 50.01 acre tract, the following 5 courses:

1. South 39°55'57" East a distance of 100.97 feet to a calculated point;
2. South 18°08'05" East a distance of 160.93 feet to a concrete monument found;
3. South 06°09'59" East a distance of 428.84 feet to a concrete monument found;
4. Along a curve to the left with an arc length of 476.70 feet, a radius of 711.95 feet, a chord bearing of South 25°31'17" East a distance of 467.84 feet;
5. South 44°41'42" East a distance of 1311.51 feet to a concrete monument found for a corner of said 50.01 acre tract and a corner hereof;



**EXHIBIT N****Page 4 of 12**

THENCE crossing said Lakeside Drive and said Tract No. A-2-2, the following 2 courses;

1. South 05°07'00" West a distance of 49.73 feet to a calculated point;
2. South 00°27'51" West a distance of 11.54 feet to a calculated point in the south line of Tract No. A-2-2 for the northeast corner of said Tract No. B-103 and a corner hereof;

THENCE South 89°17'42" West a distance of 1138.76 feet along the north line of said Tract No. B-103 and the south line of said Tract No. A-2-2 to the **POINT OF BEGINNING** containing 735.954 acres save and except that certain 0.161 acre U. S. Army Corps of Engineers Tract No. A-4 surveyed this same day by Cross Texas Land Services Inc and containing a total of 735.793 acres more or less, and as shown on certified plat herewith.

### **TRACT NO. A-3**

**LEGAL DESCRIPTION:** Being 520.662 acres of land, out of the M. Gilbert Survey, Abstract No. 571, the A. H. Hodge Survey, Abstract No. 1789, the H. C. Stephens Survey, Abstract No. 1836, the H. A. Lounes Survey, Abstract No. 1999, the F. S. Mervin Survey, Abstract No. 1910, the E. Taylor Survey, Abstract No. 1560 and the J. Reasoner Survey, Abstract No. 1325 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-3; Said 520.662 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a concrete monument found in the common line of said Abstract No. 1836 and said Abstract No. 1999 for a corner of U. S. Army Corps of Engineers Tract A-18 and a corner hereof and from which a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the R. Smith Survey, Abstract No. 1885 bears South 20°21'54" East a distance of 2646.02 feet and another concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears the bears South 13°29'34" East a distance of 4273.93 feet;

THENCE along the east and north lines of said Tract No. A-18, the following 3 courses:

1. North 00°42'19" West a distance of 555.40 feet to a calculated point;
2. North 74°13'34" West a distance of 189.42 feet to a calculated point;
3. North 89°45'34" West a distance of 149.20 feet to a calculated point for the southeast corner of Army Corps of Engineers Tract No. A-11 and a corner hereof;

THENCE North 00°43'34" West a distance of 2411.90 feet along the east line of said Tract No. 11, the east line of U. S. Army Corps of Engineers Tract No. 5, the record common line of the W.W. Wilburn Survey, Abstract No. 1639 and said Abstract No. 1836 and the record common

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line of said Abstract No. 1639 and said Abstract No. 1789 to a calculated point in the southeast line of U. S. Highway No. 377 for the northeast corner of said Tract No. A-5 and the northwest corner hereof and from which a Army Corps of Engineers concrete monument bears South  $54^{\circ}01'18''$  West a distance of 3490.98 feet;

THENCE North  $54^{\circ}01'18''$  East a distance of 2923.95 feet along the southeast line of said Highway to a concrete TXDOT monument found for the northwest corner of Hilltop Heights subdivision recorded in 388-33/71 of the Plat Records of Tarrant County, Texas and the northeast corner hereof and from which a Army Corps of Engineers concrete monument found bears North  $27^{\circ}40'43''$  West a distance of 1.30 feet;

THENCE along the west and south lines of said Hilltop Heights, the following 2 courses:

1. South  $27^{\circ}40'43''$  East a distance of 1718.44 feet to an Army Corps of Engineers concrete monument found;
2. South  $65^{\circ}33'20''$  East a distance of 1086.87 feet to an Army Corps of Engineers concrete monument found for the northwest corner of U. S. Army Corps of Engineers Tract No. A-2-1 and a corner hereof;

THENCE along the west lines of said Tract No. A-2-1, the following 3 courses:

1. South  $00^{\circ}42'27''$  East a distance of 463.78 feet to a calculated point in the record common line of said Abstract No. 1325 and said Abstract No. 1789;
2. North  $89^{\circ}17'33''$  East a distance of 1603.70 feet along the record common line of said Abstract No. 1789 and said Abstract No. 1325 and the record common line of the J. A. Bowers Survey, Abstract No. 86 and said Abstract No. 1325 to a calculated point for the record common corner of said Abstract No. 86 and said Abstract No. 1325;
3. South  $00^{\circ}42'18''$  East a distance of 3116.67 feet along the record common line of said Abstract No. 86 and said Abstract No. 1325 and the record common line of the J. Bartlett Survey, Abstract No. 187 and said Abstract No. 1325 to a calculated point for the record common corner of said Abstract No. 1325 and said Abstract No. 1910 and a corner of said Tract No. A-2-1, a corner of U. S. Army Corps of Engineers Tract No. A-2-2, a corner of U. S. Army Corps of Engineers Tract No. A-16 and the southeast corner hereof;

THENCE South  $89^{\circ}17'42''$  West a distance of 4578.32 feet along the record common line of said Abstract No. 1910 and said Abstract No. 1325, the north line of said Tract No. A-16 and the north line of U. S. Army Corps of Engineers Tract No. A-15 to a calculated point in the common line of said Abstract No. 1999 and said Abstract No. 1910 for the northwest corner of said Tract No. 15 and the southwest corner hereof;

THENCE along the southwest line of said Tract A-3, the following 2 courses:

1. North  $02^{\circ}19'34''$  West a distance of 628.39 feet along the west line of said Abstract No. 1910 to a 6 inch pine fence corner post found;

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2. North 74°55'03" West a distance of 858.71 feet to the **POINT OF BEGINNING** containing 520.662 acres more or less, and as shown on certified plat herewith.

**TRACT NO. A-4**

**LEGAL DESCRIPTION:** Being 0.161 acres of land, out of the J. Bartlett Survey, Abstract No. 187 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-4; Said 0.161 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a calculated point for the southwest corner of said 0.161 acre tract and a corner of U. S. Army Corps of Engineers Tract No. A-2-2 and from which a ½ inch iron rod found for the northeast corner of said Tract No. A-2-2 bears North 49°38'19" East a distance of 6454.77 feet, an old stone mound found (N: 6919764.10, E: 2293073.02) for the southeast corner of the J. Bartlett Survey, Abstract No. 187 and a corner of the J. F. Heath Survey, Abstract No. 641 bears South 61°16'55" East a distance of 5609.32 feet and a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the R. Smith Survey, Abstract No. 1885 bears South 69°45'52" West a distance of 5224.78 feet;

THENCE along the common line of said Tract No. A-2-2 and said Tract No. A-4, the following 4 courses:

1. North 00°30'42" East a distance of 70.00 feet to a calculated point;
2. South 89°29'18" East a distance of 100.00 feet to a calculated point;
3. South 00°30'42" West a distance of 70.00 feet to a calculated point;
4. North 89°29'18" West a distance of 100.00 feet to the **POINT OF BEGINNING**, containing 0.161 acres more or less, and as shown on certified plat herewith.

**TRACT NO. A-15**

**LEGAL DESCRIPTION:** Being 157.036 acres of land, out of the F. S. Mervin Survey, Abstract No. 1910 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-15; Said 157.036 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the R. Smith Survey, Abstract No. 1885, the northeast corner of U. S. Army Corps of Engineers Tract No. A-19, the southeast corner of the Stephens Heights Addition recorded in Volume 3380, Page 273 of the Plat Records of Tarrant County, Texas and from which a concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of

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the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 02°36'38" East 1677.08 feet;

THENCE North 02°19'34" West a distance of 1630.66 feet along the record common line of said Abstract No. 1910 and said Abstract No. 1999, the east line of said Stephens Heights Addition, the east line of Lot 8, H. A. Lounes Addition recorded in Instrument No. D202109685 of the Official Public Records of Tarrant County, Texas, the east line of that certain 4.16 acre tract described in Instrument No. D191154682 of said Official Public Records, the east line of that certain 2.2 acre tract described in Instrument No. D2002236225 of said Official Public Records and the east line of that certain 0.34 acre tract described in Instrument No. 200136382 of said Official Public Records to a calculated point for the southwest corner of that U. S. Army Corps of Engineers Tract No. A-3 and the northwest corner hereof;

THENCE North 89°17'42" East, along the south line of said Tract No. A-3, at a distance of 411.66 feet pass a corner of said Abstract No. 1910 and a corner of J. Reasoner Survey, Abstract No. 1325 continuing a distance of 1939.44 feet along the record common line of said Abstract No. 1325 and said Abstract No. 1910 to a calculated point for the northwest corner of the J. S. Evans Survey, Abstract No. 485, the northeast corner of said Abstract No. 1910, the northwest corner of U. S. Army Corps of Engineers Tract No. A-16 and the northeast corner hereof;

THENCE South 00°42'18" East a distance of 2638.89 feet along the record common line of said Abstract No. 1910 and said Abstract No. 485, the west line of said Tract No. A-16 and the west line of U. S. Army Corps of Engineers Tract No. A-17 to a calculated point for a corner of said Abstract No. 1910, the southwest corner of said Abstract No. 485, the southwest corner of said Tract No. A-17 and a corner hereof;

THENCE North 89°17'42" East a distance of 874.06 feet along the record common line of said Abstract No. 1910 and said Abstract No. 485, the south line of said Tract No. A-17 to a calculated point for a corner of said Abstract No. 1910, the northwest corner of the J. Sharp Survey, Abstract No. 1386, the northwest corner of U. S. Army Corps of Engineers Tract No. A-109 and a corner hereof;

THENCE South 00°42'18" East a distance of 672.14 feet along the record common line of said Abstract No. 1910 and said Abstract No. 1386, the west line of said Tract No. A-109 to a calculated point for the northeast corner of the J. O. Quinn Survey, Abstract No. 1257, the southeast corner of said Abstract No. 1910, the northeast corner of U. S. Army Corps of Engineers Tract No. A-22 and a corner hereof;

THENCE South 89°23'53" West a distance of 2219.02 feet along the record common line of said Abstract No. 1257 and said Abstract No. 1910, north line of said Tract No. A-22 to a concrete monument found for a corner of Adjoining Tract No. 1 (as shown on plat herewith) being a combination of that certain 1.121 acre tract described in Volume 6869, Page 1390 of the Deed Record of Tarrant County, Texas and that certain 1.002 acre tract described in Volume 6983, Page 1888 of said Deed Records and a corner of said Tract No. A-22 and a corner hereof;

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THENCE South 89°23'53" West a distance of 492.57 feet along the record common line of said Abstract No. 1257 and said Abstract No. 1910, the north line of said Adjoining Tract No. 1 the north line of said 2.027 acre tract described in Volume 8395, Page 1657 of said Deed Records, the north line of that certain 1.976 acre tract described in Instrument No. D207146283 of said Official Public Records to a concrete monument found for the southwest corner of said Abstract No. 1910, the southeast corner of said Abstract No. 1885, the southeast corner of that certain 9.042 acre tract described in Instrument No. D204301155 of said Official Public Records and the southwest corner hereof;

THENCE along the record line of said Abstract No. 1910 and said Abstract No. 1885, the following 2 courses:

1. North 02°39'17" West a distance of 362.45 feet along the east line of said 9.042 acre tract to a concrete monument found for the northeast corner of said 9.042 acre tract, the southeast corner of said Tract No. A-19;
2. North 02°35'57" West a distance of 1314.63 feet along the east line of said Tract No. A-19 to the **POINT OF BEGINNING** containing 157.036 acres more or less, and as shown on certified plat herewith.

**TRACT NO. A-16**

**LEGAL DESCRIPTION:** Being 79.284 acres of land, out of the J. S. Evans Survey, Abstract No. 485 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-16; Said 79.284 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a calculated point in the south line the J. Reasoner Survey, Abstract No. 1325 and the south line of that certain U. S. Army Corps of Engineers Tract No. A-3 for northeast corner of the F. S. Mervin Survey, Abstract No. 1910, the northwest corner of said Abstract No. 485, the northeast corner of U. S. Army Corps of Engineers Tract No. A-15 and the northwest corner hereof and from which a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the J.P. Smith Survey, Abstract No. 1885 bears South 48°34'08" West a distance of 2498.30 feet and from which another concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 28°21'36" West a distance of 3782.49 feet;

THENCE North 89°17'42" East a distance of 2638.89 feet along the record common line of said Abstract No. 485 and said Abstract No. 1325, the south line of said Tract No. A-3 to a calculated point in the west line of the J. Bartlett Survey, Abstract No. 187 for the northeast

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corner of said Abstract No. 485, the southeast corner said Abstract No. 1325, the southeast corner of said Tract No. A-3, the south corner of U. S. Army Corps of Engineers Tract No. A-2-1, a corner of U. S. Army Corps of Engineers Tract No. A-2-2 and the northeast corner hereof;

THENCE South 00°42'18" East a distance of 1320.02 feet along the record common line of said Abstract No. 1325 and said Abstract No. 187 and the west line of said Tract No. A-2-2 to a calculated point for the northeast corner of U. S. Army Corps of Engineers Tract No. A-17 and the southeast corner hereof;

THENCE along the north line of said Tract No. A-17, the following 5 courses;

1. South 89°32'42" West a distance of 235.00 feet to a calculated point;
2. North 33°27'18" West a distance of 100.00 feet to a calculated point;
3. South 89°32'42" West a distance of 150.00 feet to a calculated point;
4. South 00°27'18" East a distance of 84.00 feet to a calculated point;
5. South 89°32'42" West a distance of 2199.45 feet to a calculated point in the record common line of said Abstract No. 1910 and said Abstract No. 485, the east line of said Tract No. A-15 for the northwest corner of said Tract No. A-17 and the southwest corner hereof;

THENCE North 00°42'18" West a distance of 1308.64 feet along the record common line of said Abstract No. 1910 and said Abstract No. 485, the east line of said Tract No. A-15 to the **POINT OF BEGINNING** containing 79.284 acres more or less, and as shown on certified plat herewith.

## **TRACT A-17**

**LEGAL DESCRIPTION:** Being 80.581 acres of land, out of the J. S. Evans Survey, Abstract No. 485 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-17"; Said 80.581 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a calculated point for the southwest corner of said Abstract No. 485, a corner of the F. S. Mervin Survey, Abstract No. 1910, a corner of U. S. Army Corps of Engineers Tract No. A-15 and the southwest corner hereof and from which a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the J.P. Smith Survey, Abstract No. 1885 bears North 62°39'11" West a distance of 2145.33 feet and another concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 69°20'14" West a distance of 1954.93 feet;

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THENCE North 00°42'18" West a distance of 1330.25 feet along the record common line of said Abstract No. 485 and said Abstract No. 1910, the east line of said Tract No. A-15 to a calculated point for the southwest corner of U. S. Army Corps of Engineers Tract No. A-16 and the northwest corner hereof;

THENCE along the south line of said Tract No. A-16, the following 5 courses:

1. North 89°32'42" East a distance of 2199.45 feet to a calculated point;
2. North 00°27'18" West a distance of 84.00 feet to a calculated point;
3. North 89°32'42" East a distance of 150.00 feet to a calculated point;
4. South 33°27'18" East a distance of 100.00 feet to a calculated point;
5. North 89°32'42" East a distance of 235.00 feet to a calculated point in the record common line of said Abstract No. 485 and the J. Bartlett Survey, Abstract No. 187, the west line of U. S. Army Corps of Engineers Tract No. A-2-2 for the southeast corner of said Tract No. 16 and the northeast corner hereof;

THENCE South 00°42'18" East a distance of 1318.87 feet along the record common line of said Abstract No. 485 and said Abstract No. 187, the west line of said Tract No. A-2-2 to a calculated point in the north line the J. Sharp Survey No. 1386, the north line of U. S. Army Corps of Engineers Tract No. A-109 for the southeast corner of said Abstract No. 485, the southwest corner of said Abstract No. 187 and the southeast corner hereof;

THENCE South 89°17'42" West a distance of 1764.83 feet along the record common line of said Abstract No. 485 and said Abstract No. 1386, the north line of said Tract No. A-109 to a calculated point for the northwest corner of said Abstract No. 1386, a corner of said Abstract No. 1910, the northwest corner of said Tract No. A-109 and being a corner of said Tract No. 15;

THENCE South 89°17'42" West a distance of 874.06 feet along the record common line of said Abstract No. 485 and said Abstract No. 1910, the north line of said Tract No. A-15 to the **POINT OF BEGINNING** containing 80.584 acres more or less, and as shown on certified plat herewith.

**TRACT A-19**

**LEGAL DESCRIPTION:** Being 34.193 acres of land, out of the J.P. Smith Survey, Abstract No. 1885 in Tarrant County, Texas and also being U. S. Army Corps of Engineers Tract No. A-19; Said 34.193 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:

**BEGINNING** at a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of the F. S. Mervin Survey, Abstract No. 1910, the west line of U. S. Army Corps of Engineers

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Tract No. A-15 for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of said Abstract No. 1885 and the southeast corner of the Stephens Heights Addition recorded in Volume 3380, Page 273 of the Plat Records of Tarrant County, Texas and the northeast corner hereof and from which another concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 02°36'38" East a distance 1677.08 feet;

THENCE South 02°35'54" East a distance of 1314.63 feet along the record common line of said Abstract No. 1910 and the said Abstract No. 1885, the west line of said Tract No. A-15 to a concrete monument found for the northeast corner of that certain 9.042 acre tract described in Instrument No. D204301155 of the Official Public Records of Tarrant County, Texas and the southeast corner hereof;

THENCE North 67°31'21" West a distance of 1666.24 feet along the northeast line of said 9.042 acre tract, the northeast line of that certain 1.00 acre tract described in Instrument No. D19810244 of said Official Public Records, crossing Stevens Drive, along the northeast line of Volume 12085, Page 1327 of said Official Public Records to a concrete monument found for a corner of said Volume 12085, Page 1327 and the southwest corner hereof;

THENCE North 02°35'53" West a distance of 659.22 feet along the east line of said Volume 12085, Page 1327 to a concrete monument found in the record common line of said Abstract No. 1885 and said Abstract No. 1999, the south line of said Stephens Heights Addition for the northeast corner of said Volume 12085, Page 1327 and the northwest corner hereof;

THENCE North 89°19'42" East a distance of 1510.04 feet crossing Stevens Drive along the record common line of said Abstract No. 1885 and said Abstract No. 1999 and the south line of said Stephens Heights Addition to the **POINT OF BEGINNING** containing 34.193 acres more or less, and as shown on certified plat herewith.

**PORTION OF TRACT NO. A-22**

**LEGAL DESCRIPTION:** Being 9.535 acres of land out of the J. O. Quinn Survey, Abstract No. 1257 in Tarrant County, Texas and also being a portion U. S. Army Corps of Engineers Tract No. A-22; Said 9.535 acre tract being more particularly described as follows and as surveyed under the supervision of Cross Texas Land Services, Inc in October, 2010:



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**BEGINNING** at a concrete monument found in the record common line of said Abstract No. 1257 and the F. S. Mervin Survey, Abstract No. 1910, the south line of U. S. Army Corps of Engineers Tract No. A-15" for the northwest corner of said Tract No. A-22, the northeast corner of Adjoining Tract No. 1 (as shown on plat herewith) being a combination of that certain 1.121 acre tract described in Volume 6869, Page 1390 of said Deed Records of Tarrant County, Texas and that certain 1.002 acre tract described in Volume 6983, Page 1888 of said Deed Records and from which a concrete monument found (N: 6920652.21, E: 2283251.38) in the west line of said Abstract No. 1910, for the southeast corner of the H. A. Lounes Survey, Abstract No. 1999 and the northeast corner of the J.P. Smith Survey, Abstract No. 1885 bears North 18°48'40" West a distance of 1764.41 feet and another concrete monument found (N: 6918976.87, E: 2283327.77) for the record southwest corner of the F. S. Mervin Survey, Abstract No. 1910 and the most northerly southeast corner of the J. P. Smith Survey, Abstract No. 1885 as described in Instrument No. D196035150 of the Official Public Records of Tarrant County, Texas bears South 89°23'53" West a distance of 492.57 feet;

THENCE North 89°23'53" East a distance of 2219.02 feet along the record common line of said Abstract No. 1257 and said Abstract No. 1910, the south line of said Tract No. A-15 and the north line of said Tract No. A-22 to a calculated point in the west line of the J. Sharp Survey, Abstract No. 1386, the west line of that U. S. Army Corps of Engineers Tract No. A-109 for the northeast corner of said Abstract No. 1257, the southeast corner of said Abstract No. 1910, the northeast corner of said Tract No. A-22, the southeast corner of said Tract No. A-15 and the northeast corner hereof;

THENCE South 00°42'18" East a distance of 202.05 feet along the record common line of said Abstract No. 1257 and said Abstract No. 1386, the west line of said Tract No. A-109, the east line of said Tract No. A-22 to a calculated point for the northeast corner of that certain 298.96 acre tract described in Federal Lease TXNM 124230 for the southeast corner hereof;

THENCE South 89°27'08" West a distance of 1912.24 feet crossing said Tract No. A-22 along the north line of said 298.96 acre tract to a calculated point in the west line of said Tract No. A-22 in the northeast line of said Adjoining Tract No. 1 for a corner of said 298.96 acre tract and the southwest corner hereof;

THENCE North 57°29'56" West a distance of 366.65 feet along the northeast line of said Adjoining Tract No. 1 and the west line of said Tract No. A-22 to the **POINT OF BEGINNING** containing 9.535 acres more or less, and as shown on certified plat herewith.

Note: Bearings, distances and acreage shown herewith are NAD 83, Texas North Central Zone and are derived from GPS techniques. Iron Rod set are 1/2 inch rod with plastic caps marked "C.T.L.S.".

COE-NSO  
BENBROOK LAKE

**CORPS OF ENGINEERS**  
**BENBROOK LAKE PROJECT, TEXAS**

**1. NSO/ND - No Surface Occupancy and No Drilling**

This stipulation applies to all Corps of Engineers (COE) fee ownership within 3000 horizontal feet of prime facilities critical to the operation of Benbrook Lake, Texas. These facilities include the dam, spillway, outlet structure, levees and related structures. This stipulation allows the identified area to be included in a lease for the purpose of becoming a part of a drilling unit so that the United States will share in the royalty.

**2. NSO/DD - No Surface Occupancy, Open for Directional Drilling**

This stipulation applies to all designated parks, recreation areas, public use areas, wildlife management areas, archeological and historical sites, trails and roads, and the lake surface at the conservation pool elevation of 694.0 feet National Geodetic Vertical Datum (NGVD). Directional drilling is permitted from outside the identified areas where occupancy is allowed.

**3. NSO/ELEV - No Surface Occupancy Based on Elevation**

This stipulation prohibits surface occupancy on all lands lying at or below the elevation of the spillway crest or tainter gate sill where alternative surface ownership is available within the same drilling unit. At Benbrook Lake, the spillway crest is at elevation 724.0 feet NGVD. If no alternative surface ownership is available, in no case will surface occupancy be permitted below the 25-year frequency pool (as calculated by COE hydraulics engineering staff) or within 1000 horizontal feet from the lake surface at the conservation pool elevation of 694.0 feet NGVD. The purpose of this stipulation is to protect the integrity of Benbrook Lake land and water resources.

**Note:** The surface acreage affected by the above stipulations is provided as follows:

Lake surface at conservation pool.....	3,769
Designated Parks/Recreation Areas.....	3,033
Wildlife Management Areas.....	193
Lake Operations.....	176
Areas Below 25-year frequency pool.....	To Be Determined
Archeological/Historical Sites.....	To Be Determined

NM-10

**DRAINAGE STIPULATION FOR FEDERAL LANDS**

All or part of the lands contained in this lease are subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 6 months of lease issuance to submit to the AO plans for protecting the lease from drainage. Compensatory royalty will be assessed effective the expiration of this 6-month period if no plan is submitted. The plan must include either an Application for Permit to Drill (APD) a protective well, or an application to communitize the lease so that it is allocated production from a protective well off the lease. Either of these options may include obtaining a variance to State-spacing for the area. In lieu of this plan, the lessee shall be required to demonstrate that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of protecting the lease from drainage or an acceptable justification why a protective well would be uneconomical, the lessee shall be obligated to pay compensatory royalty to the Minerals Management Service at a rate to be determined by the AO.



